

Rural Utilities Service, USDA

§ 1700.26

(d) *Advance of loan funds.* Loan funds are advanced on the basis of requisitions submitted by borrowers in accordance with the loan contract and 7 CFR part 1744.

[55 FR 39596, Sept. 28, 1990; 55 FR 42807, Oct. 23, 1990]

§ 1700.22 Rural Telephone Bank loans pursuant to section 408 of the Rural Electrification Act, as amended.

These loans are made for the purposes authorized by section 201 of the Act. The loans, approval of which rests solely within the discretion of the Governor, bear interest at a rate equal to the cost of funds to the Bank; must be repaid within a period, up to a maximum of 35 years, that approximates the expected useful life of the facilities financed; and must be reasonably secured in the judgement of the Administrator. These loans are administered by RUS staff as part of the rural telephone program pursuant to the policies and procedures set forth in 7 CFR part 1610.

§ 1700.23 Guaranteed loans pursuant to section 306 of the Rural Electrification Act, as amended.

These loans are made by any legally organized lending agency and guaranteed in the full amount thereof by the Administrator for purposes provided in the RE Act, including without limitation, distribution, sub-transmission, bulk transmission and generation facilities. The loans guaranteed under this section are serviced by the lender except that loans made by the Federal Financing Bank are serviced by RUS. The interest rate on these loans is as agreed upon by the borrower and the lender.

[56 FR 2671, Jan. 24, 1991]

§ 1700.24 Loans and grants pursuant to section 313 of the RE Act.

These zero-interest loans and grants are made to borrowers under the RE Act for the purpose of promoting rural economic development and rural job creation projects. Selection and approval of applications for zero-interest loans and grants rests solely within the

discretion of the Administrator. (See 7 CFR part 1703.)

[57 FR 6290, Feb. 24, 1992]

§ 1700.25 Other loan authorities.

(a) The Administrator has authority under section 314 of the RE Act to guarantee 90 percent of the principal and interest of loans made by qualified private lenders to finance electric and telephone facilities in rural areas. (See 7 CFR parts 1712 and 1739.) The Administrator also has authority under section 502 of the RE Act to make grants and reduced interest loans to promote business incubator programs or for the creation or operation of business incubators in rural areas. Authority is also granted to the Administrator by the Rural Economic Development Act of 1990 (7 U.S.C. 950aaa *et seq.*) to provide financial assistance for distance learning and medical link programs.

(b) The Administrator has authority under section 5 of the RE Act to make loans to electric borrowers for the purpose of financing the wiring of the premises of persons in rural areas and for the purchase and installation of electrical and plumbing appliances and equipment, including machinery. The Administrator also has authority under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et seq.*) to finance community antenna television (CATV) services and facilities. Funds have not been appropriated for these purposes since 1969 in the case of section 5 loans and not since 1981 in the case of CATV loans.

[57 FR 6290, Feb. 24, 1992]

§ 1700.26 Studies, investigations, and reports.

Pursuant to section 2 of the RE Act, the Agency may make, or cause to be made, studies, investigations, and reports concerning the condition and progress of electrification and telephony in rural areas in the several States and territories and may publish and disseminate information with respect thereto.